



COUNTY OF KAUAI

Department of Public Works

2012 Budget Presentation

April 15, 2011

Larry Dill, P.E.
County Engineer

Lyle Tabata
Deputy County Engineer

ADMINISTRATION

Department of Public Works

Mission

The Department of Public Works Mission is to deliver excellent service to our constituents, support the health and safety of their communities, with sustainable services and solutions.

Goals

- The Department of Public Works Administration seeks to support the Goals and Objectives of the six Divisions within the Department, ensuring manpower, equipment and materials needs are met adequately.
- Implement the Goals and Objectives of the Mayor, including Holo Holo 2020.
- Ensure the health, safety and welfare of the public.
- Continue to implement systems that will serve to reduce complaints and ‘emergencies’ which will allow us to focus on proactive activities.

Successes and Achievements

- Commenced implementation of reorganization and streamlining of the Department to create accountability and clarify responsibilities.
- Commenced implementation of structure to improve management and delivery of County-wide CIP projects.
- Recovered \$6.8 million in Federal grant reimbursement funding and leveraged County CIP funds in various construction projects.
- Strengthened management of the Roads Division to improve capability of response to complaints and improve proactive efforts in roadway maintenance.

Challenges

- Planning for future improvements while continuing to meet the day to day needs and demands of the community.
- Utilizing funds in the most efficient manner while maintaining satisfactory levels of service.
- Succession planning.
- Continuing to maintain a positive working relationship with our union partners.
- Personnel issues that exist.
- Expediting the building permit approval process.

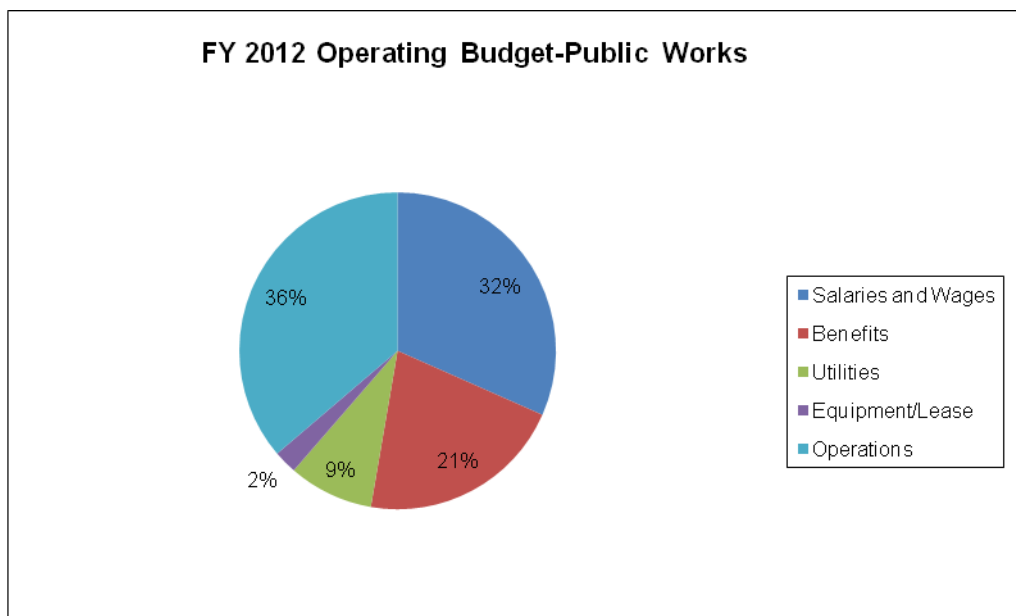
Improvements

- Assessed CIP program to gain proper understanding of status, schedule and funding of projects.
- Employees have clearer understanding of roles and responsibilities in reorganization.

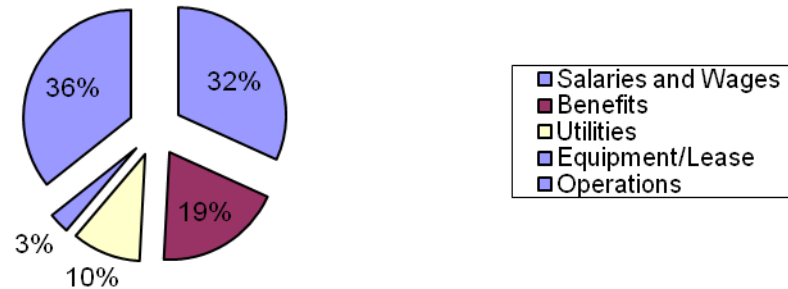
Upcoming Initiatives

- Continue to seek opportunities for grant funding and low cost loans.
- Work with Personnel to identify short term and long term needs and lay foundation for succession.
- Establish transparency with union partners by sharing long term Departmental goals and objectives to create partnering opportunities.
- Address personnel issues in a timely fashion to improve Departmental morale.
- Continue to streamline the building permit approval process, including efforts to improve service from the One Stop Shop.
- Move from assessment mode of CIP projects to implementation of systems to deliver and manage CIP projects.

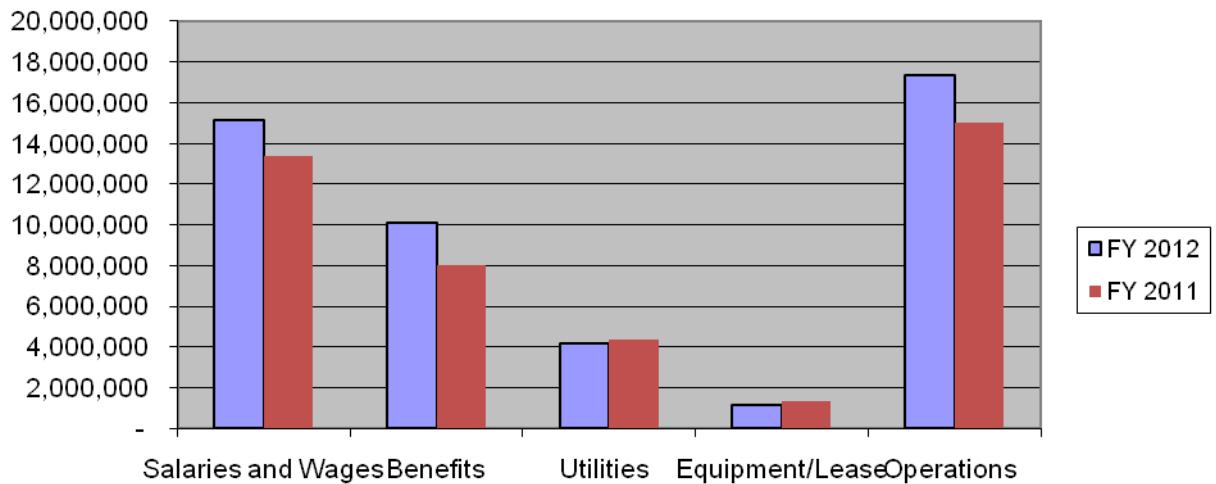
Comparative Graphs



FY 2011 Operating Budget Public Works



FY 2012 and 2011 Comparison Public Works



Operating Budget-Department of Public Works	FY 2011	FY 2012	% + or -
Salaries and Wages	13,382,317	15,141,359	13.1%
Benefits	8,022,739	10,100,518	25.9%
Utilities	4,369,230	4,155,630	-4.9%
Equipment/Lease	1,308,000	1,135,934	-13.2%
Operations	15,027,304	17,349,013	15.4%
TOTAL	42,109,590	47,882,454	13.7%

Operating Budget Discussion

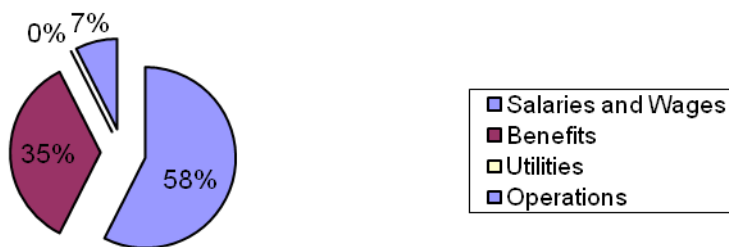
Increase in Salaries and Wages, and Benefits is due to:

- Elimination of furloughs
- Funding of two dollar funded positions
- Increased contribution requirements for employee benefits

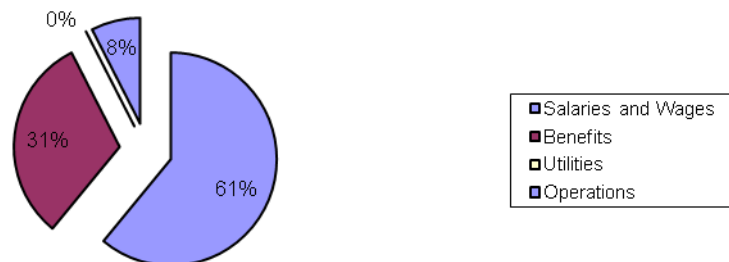
Increase in Operations is due to:

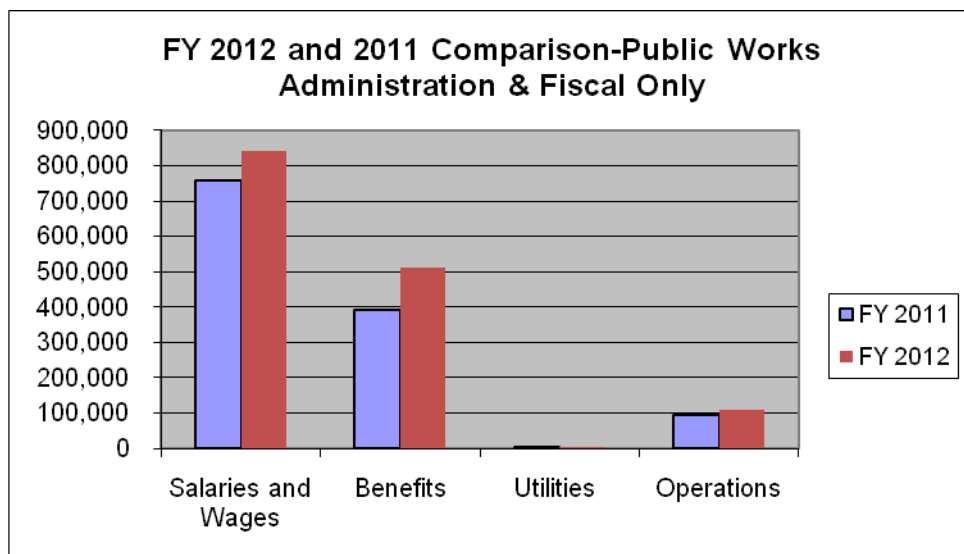
- Additional programs in various Divisions

**FY 2012 Operating Budget-Public Works
Administration/Fiscal**



**FY 2011 Operating Budget-Public Works
Adminstration/Fiscal**





Operating Budget-Public Works Administration/Fiscal	FY 2011	FY 2012	% + or -
Salaries and Wages	758,830	841,165	10.9%
Benefits	392,083	512,165	30.6%
Utilities	150	150	0.0%
Operations	93,531	109,570	17.1%
TOTAL	1,244,594	1,463,050	17.6%

Operating Budget Discussion

Increase in Salaries and Wages, and Benefits is due to:

- Elimination of furloughs
- Increased contribution requirements for employee benefits

Increase in Operations is due to:

- Increased training costs, e.g. AutoCad training
- Increased collective bargaining related costs, e.g. pre and post-employment testing

BUILDING DIVISION

Douglas Haigh, P.E., Chief

Mission

The mission of the Division of Building is responsible code enforcement, facility development, building construction and maintenance, and janitorial services. All programs are responsible for providing the people of Kauaʻi with safely constructed public and private facilities, and well-maintained County facilities.

Goals & Objectives

- To develop new facilities to replace old, dilapidated, overcrowded buildings and structures.
- To ensure that the minimum construction standards contained within the Kauaʻi County Codes, and referenced building trade codes, are adhered to.
- Continually update the Kauaʻi County Code to meet current building industry codes, which reflect the latest industry standards, and changing technologies.
- Provide effective training and adequate staffing to increase the efficiency of services to the public in the review, issuance, and enforcement of building, electrical, plumbing, and sign permits.
- To maintain and clean County office buildings and neighborhood centers.
- Provide repair and construction services for all County facilities, and to prolong the life, and maintain the value of a variety of structures.
- Provide necessary services in the preparation, and management of construction and service contracts.
- Complete Historic County Building Renovation
- Start construction of the Lydgate-Kapaʻa Bicycle/Pedestrian Path Phase A

Successes and Achievements

- Completion of the Wailua Golf Course Maintenance Building Project
- Completion of the Līhuʻe Carriage House Project
- Completion of the Police Evidence Storage Area Mechanical Renovation Project
- Completion of Kaiākea Fire Station

Challenges

- Filling vacant positions in a timely fashion
- Managing multiple projects with minimal staff

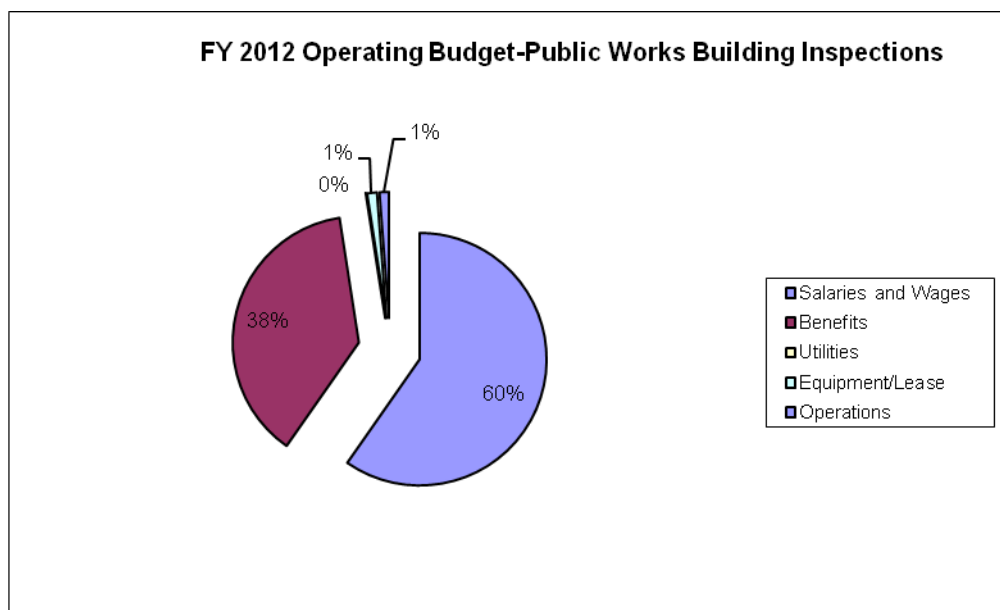
Improvements

- Building Permit Tracking – trained multiple agencies for more accurate data

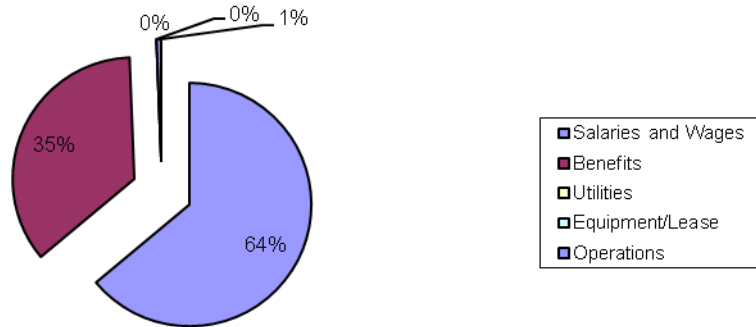
Upcoming Initiatives

- Adoption of 2009 International Building Code and International Residential Code.
- Explore and identify new performance metrics and existing metrics to assess performance of:
 - Buildings maintenance and construction
 - Custodial
 - Inspections
 - Plan review and approvals

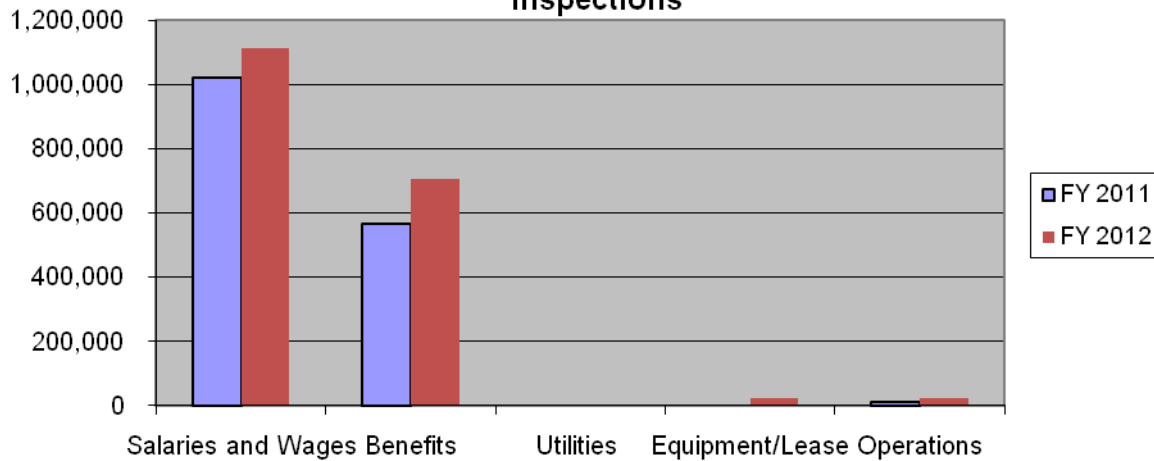
Comparative Graphs



FY 2011 Operating Budget-Public Works Building Inspections



FY 2011 and 2012 Comparison-Public Works Building Inspections



Operating Budget- Public Works Building Inspection	FY 2011	FY 2012	% + or -
Salaries and Wages	1,022,033	1,113,052	8.9%
Benefits	566,401	704,760	24.4%
Utilities	0	-	#DIV/0!
Equipment/Lease	0	23,400	100.0%
Operations	9,950	22,500	126.1%
TOTAL	1,598,384	1,863,712	16.6%

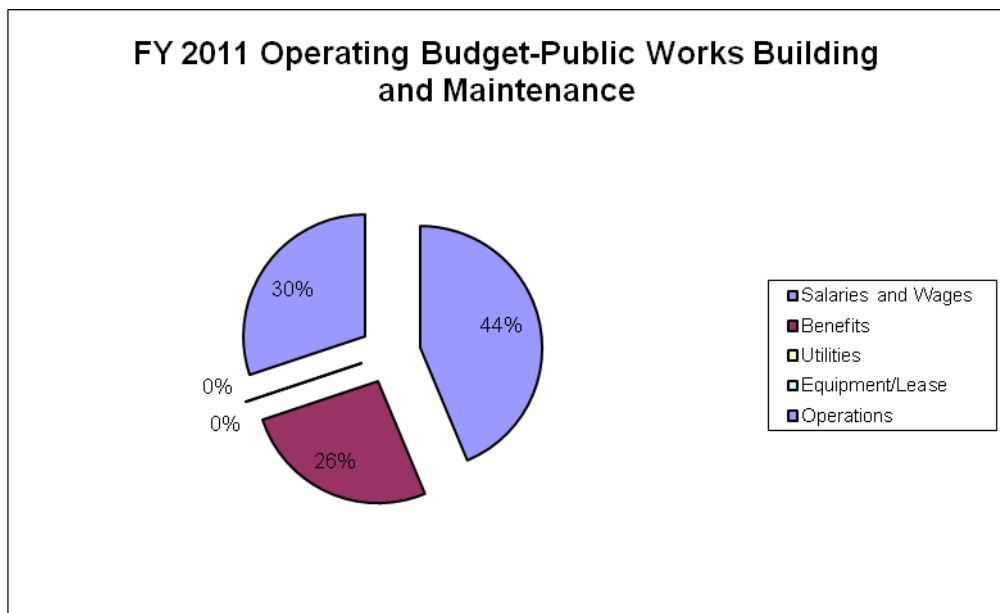
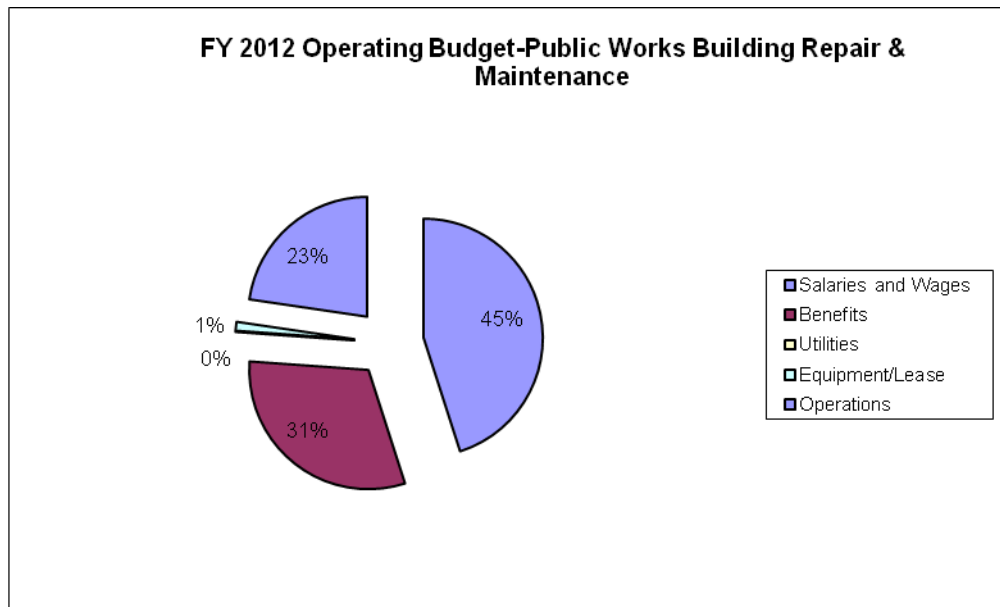
Operating Budget Discussion

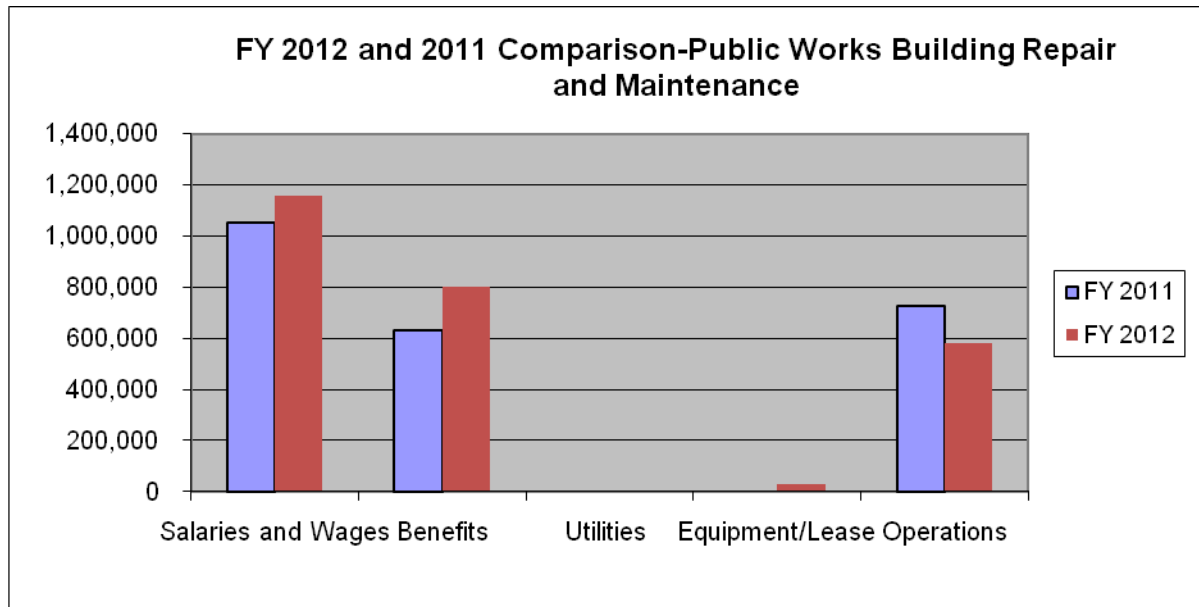
Increase in Salaries and Wages, and Benefits is due to:

- Elimination of furloughs
- Increased contribution requirements for employee benefits

Increase in Operations is due to:

- Hardware and software costs for Work Order Facility Maintenance Program
- Training for code enforcement and safety





Operating Budget- Building Repair and Main.	FY 2011	FY 2012	% + or -
Salaries and Wages	1,050,829	1,158,511	10.2%
Benefits	629,496	799,555	27.0%
Utilities	0	-	#DIV/0!
Equipment/Lease	0	30,700	100.0%
Operations	723,993	582,908	-19.5%
TOTAL	2,404,318	2,571,674	7.0%

Operating Budget Discussion

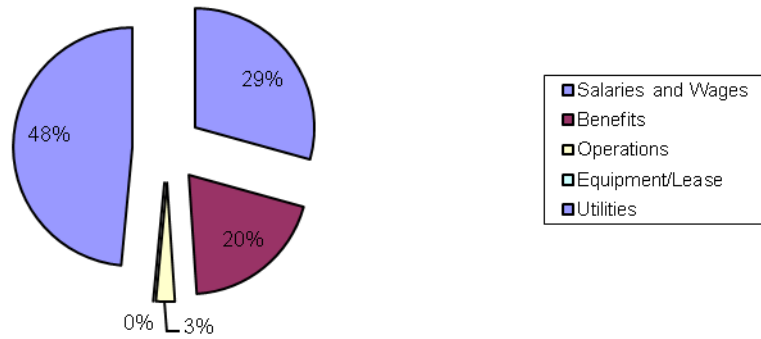
Increase in Salaries and Wages, and Benefits is due to:

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- Increased contribution requirements for employee benefits

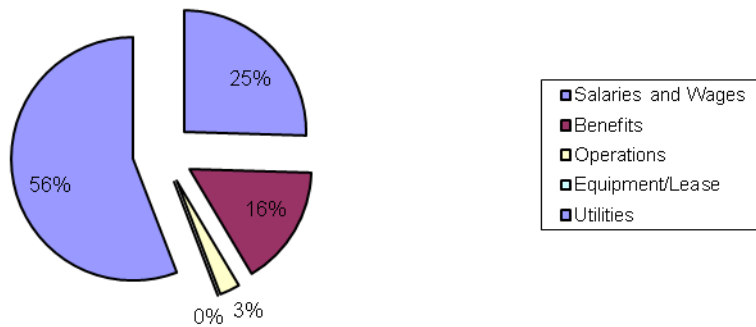
Decrease in Operations is due to:

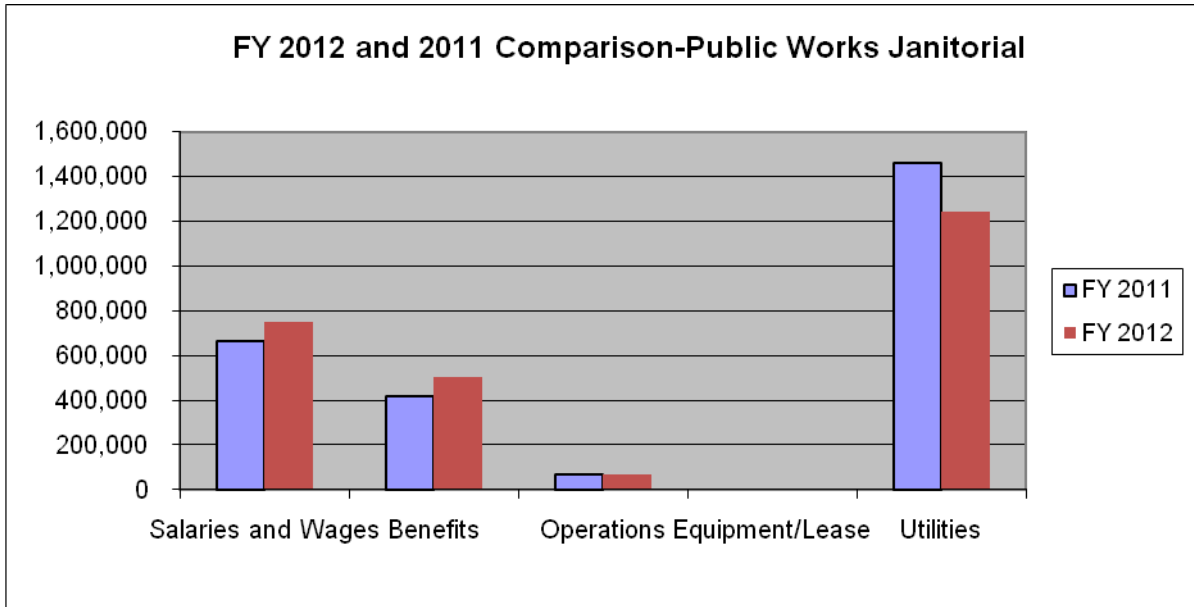
- Funding of 'non-recurring' R&M projects has been moved to the CIP budget

FY 2012 Operating Budget-Public Works Janitorial



FY 2011 Operating Budget-Public Works Janitorial





Operating Budget- Public Works Janitorial	FY 2011	FY 2012	% + or -
Salaries and Wages	666,272	750,342	12.6%
Benefits	418,906	502,400	19.9%
Operations Equipment/Lease	70,000	65,501	-6.4%
Utilities	1,461,000	1,241,000	-15.1%
TOTAL	2,616,178	2,559,243	-2.2%

Operating Budget Discussion

Increase in Salaries and Wages, and Benefits is due to:

- Elimination of furloughs
- Increased contribution requirements for employee benefits

Decrease in Operations is due to:

- Fewer items of small equipment requiring replacement

Decrease in Utilities is due to:

- Lower current consumption rates
- Implementation of photo voltaic projects

AUTOMOTIVE DIVISION

Dwayne Adachi, Superintendent

Mission

The mission of the Automotive Division is to manage and maintain the equipment and vehicle fleet of the Department of Public Works as well as other County of Kauai agencies, enabling the County to provide core services to all communities of Kauai.

Goals

- Modernize and maintain the County of Kaua'i's vehicle and equipment fleet, providing all agencies with economical and reliable vehicles and equipment thereby allowing the County to operate effectively and efficiently.
- Offer support and disaster relief services to all agencies and the community in emergency situations.
- Provide vehicle and equipment maintenance and support for all departments and agencies to ensure a safe environment for both employees and public citizens.

Successes and Achievements

- The Automotive Division has been successful in meeting the demands and requests of the various departments, agencies and the community in regards to equipment supply and vehicle and equipment maintenance and repairs in spite of our limited staffing situation.
- Procurement of new vehicles and equipment in 2010 has helped us to continue to update and improve the status of our vehicle and equipment fleet.

Challenges

- Being able to meet the demands and requests of the many different divisions, departments and agencies we service on a daily basis. Keeping up with the increased demand of maintenance as the vehicular and equipment fleet has increased by 30% over the last 30 years while staffing levels have remained constant.
- Timely hiring of fully qualified replacements for vacancies.
- Operating efficiently and effectively within our limited space of eight working bays for our ten technicians is a daily challenge we face as the vehicle and equipment fleet has increased by 30% over the last 30+ years and we are outgrowing our current facility.

Improvements

- Improvements have been made during the last few years that include widening of the main gate to 30 ft., relocating 200 feet of our western fence line 10 feet to the west and paving this area, and also paving approximately 4,000 sq. ft. of unpaved area within the facility. Perimeter fencing has been repaired and security has been restored. These

improvements have given us 6,000 sq. ft. of additional operating area and provided some much needed relief to our extremely overcrowded situation.

Upcoming Initiatives

- Continuing to update the equipment and vehicle fleet with energy saving environmentally friendly units.
- Analysis of manpower needs, and addressing the need for transitioning from retiring employees to new hires.
- Analysis of workplace facility capacity.
- Identify performance metrics for 2012, for example:
 - Maintenance service interval on time completion percentage (currently 40%)
 - Average vehicle repair turnaround time (currently three days)
 - Average equipment repair turnaround time (currently 13 days)
 - Industrial accident rates (currently averaging three per year)

ENGINEERING DIVISION

Wallace Kudo, P.E., Chief

Mission

The mission of the Engineering Division is the protection of the public's health, safety, property and the environment through proper planning, development, maintenance, and operation of the County's infrastructure, and administration of sediment and erosion control measures, storm water runoff systems, driveway approaches and land use codes and ordinances.

Goals & Objectives

- Protection of public health and safety by planning and developing safe and cost-effective roadway and drainage systems.
- Protection of public safety and assurance of high quality of life by administering and enforcing subdivision, grading and drainage ordinances and regulations.
- Protection of public safety and investment through effective maintenance of County facilities, roadways and drainage systems.
- Improve the management and delivery of Capital Improvement Projects.
- Puhi Road (UTW) Ultra Thin Whitetopping.
- Kōke`e Road Resurfacing Federal Aid Project.
- Hanapēpē Bridge and Pedestrian Repair.

Successes and Achievements

- Completed in house design and construction services for the repair of the Hauaala Ford Crossing which was undermined and damaged by severe storms and flooding in November, 2009. Repairs were completed October, 2010
- Engineering Division personnel completed the Field Sampling and Testing Qualification Program in August, 2010 which qualifies the staff to conduct inspections on Federal Aid projects.
- Completed in house design work for Koke`e Road Resurfacing and received authorization from FHWA and the State to advertise the project and call for bids. Advertising is anticipated in May 2011 with Notice to Proceed to follow upon execution of the construction contract.
- Procured and completed the Pi`ikoi Office Modification for Fire Administration to develop construction plans to construct additional office spaces in the Pi`ikoi Building for the Fire Department. Bids were opened and recommendation of award has been made.

Challenges:

- Surveying, Drafting & Documents
 - Upgrading drafting capabilities to support the division
- Regulatory Compliance
 - Transferring subdivision review responsibility to Regulatory Compliance
 - Additional staff to meet workload requirements
- Project Management
 - Filling existing inspector vacancy
 - Addition of staff to manage projects

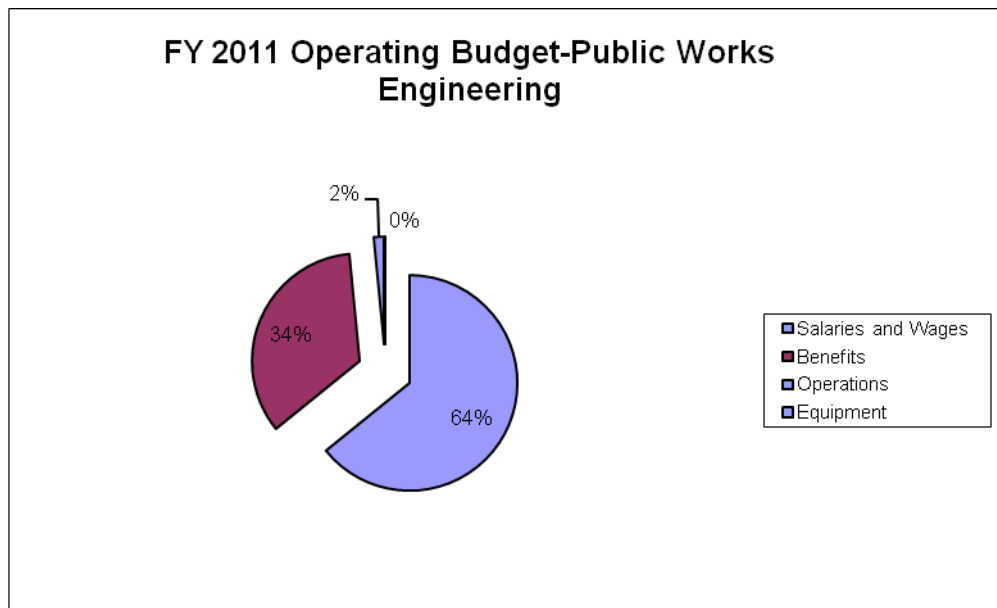
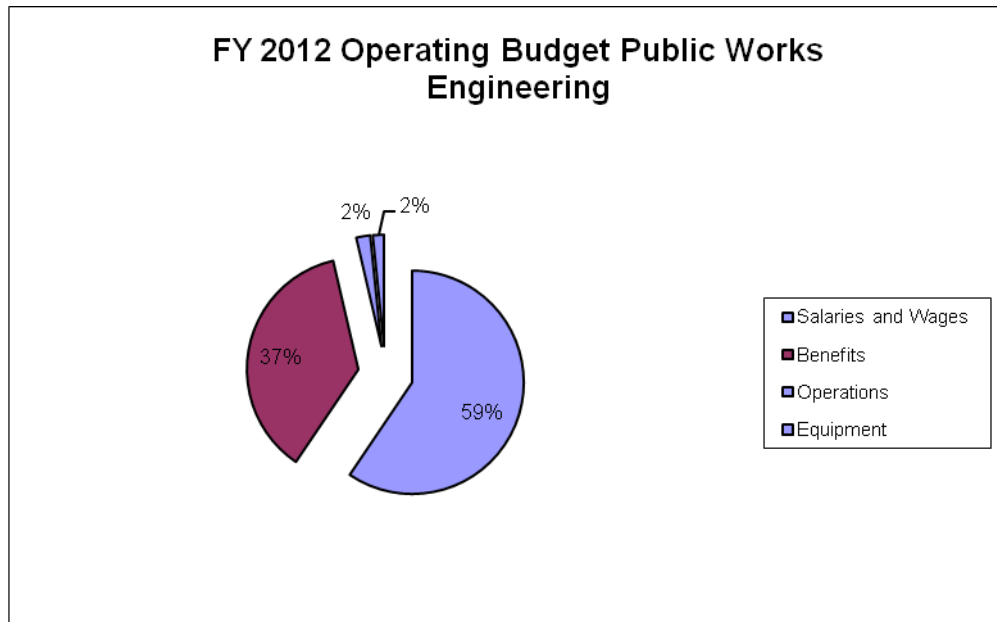
Improvements

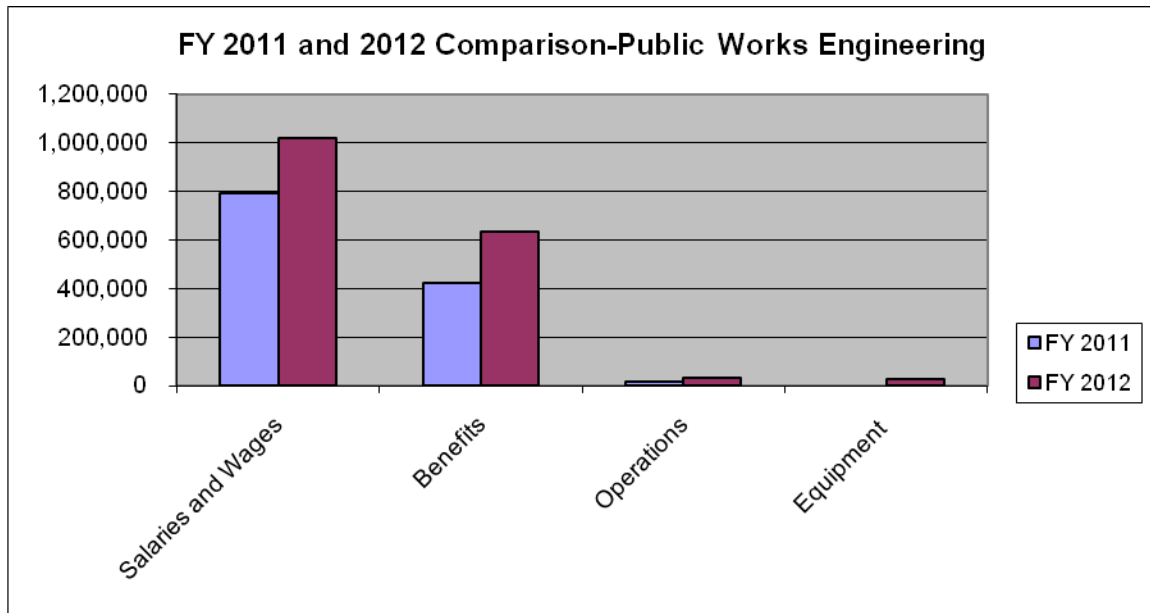
The Department has looked at Engineering Support Techs to assist the work loads of its engineers and construction inspectors. Additionally, we have purchased three AutoCad licenses and software training for our Engineers and Engineer Support Technicians to help us with the engineering drafting and other department drafting requests. Currently there is one Engineering Drafting Technician III that supports eight engineers and one surveyor. The AutoCad software with training should lessen the workload for the Engineering Drafting Technician III.

Upcoming Initiatives

- Minor restructuring of the Engineering Division into three sections: Surveying, Drafting & Documents, Regulatory Compliance, and Project Management.
 - Surveying, Drafting & Documents:
 - Increase AutoCad capabilities of Engineering Division through training of staff, and explore need for survey crew.
 - Regulatory Compliance:
 - Subdivision review will be gradually transferred from the Chief to the Regulatory Compliance section, building the capacity of the Regulatory Compliance section to review applications and freeing the Chief to manage the Division.
 - Project Management:
 - The Engineering Program Administrator position has been moved to the Engineering Division to head the Project Management group which is responsible for CIP projects. Additional staff to improve the capacity of this group to manage the project workload is proposed.
 - The CIP Project Manager position will be moved to the Public Works Administration office to improve communication and coordination to facilitate moving County CIP projects through Public Works.

Comparative Graphs





Operating Budget-Public Works Engineering	FY 2011	FY 2012	% + or -
Salaries and Wages	792,107	1,018,335	28.6%
Benefits	423,087	631,602	49.3%
Operations	18,999	34,399	81.1%
Equipment	0	27,800	100.0%
TOTAL	1,234,193	1,712,136	38.7%

Operating Budget Discussion

Increase in Salaries and Wages, and Benefits is due to:

- Elimination of furloughs
- Increased contribution requirements for employee benefits
- Transfer of Floodplain Management personnel from Building to Engineering
- Funding of two previously dollar-funded positions (CE VI and CE I)

Increase in Operations is due to:

- Technical support for AutoCad software and technical plotter
- Costs associated with transfer of Floodplain personnel

Increase in Equipment is due to:

- Leases for two new vehicles

DPW ROADS DIVISION

Ed P.K. Renaud, Chief

Mission

The mission of the Roads Division is to maintain County roadways in a manner that will safely convey vehicular and pedestrian traffic, and to maintain drainage facilities and provide County wide support with equipment and labor.

Goals

- To keep County roads and bridges safe for public use
- To anticipate and address road, bridge and drainage needs
- To make the best and most efficient use of the Division's resources
- To improve internal and public communication
- To instill pride in the jobs that we perform

Program Description

The Roads Maintenance Division performs roadway pavement, shoulder, bridge, sidewalk/driveway/ curb/gutter, levee and appurtenances maintenance and repairs; installation and maintenance of traffic and safety devices; installation, maintenance and repair of signs and road markings. The Roads Maintenance Division supports the Department of Parks and Recreation and the Solid Waste Division on a regular basis and supports other agencies on an as needed basis. The Division also plays a key role in disaster response.

Successes and Achievements

- Implementing improvements in the recording and tracking of public complaints has improved response and accountability.
- On-going training to improve baseyards' maintenance planning, scheduling, reporting and supervisory management of roads projects and assignments.
- Implement documentation Road Division Management Procedures and S.O.P.'s.
- County conducted 2010 Bridge Inspections for 23 County Bridges.

Challenges

- Accomplishing the annual Island Wide Resurfacing requirements.
- The economic downturn has limited spending in road maintenance.
- The status of Roads in Limbo, Paper Roads and drainage maintenance.
- Meeting regulatory compliance requirements.
 - New traffic sign reflectivity requirements
 - Meeting biennial bridge inspection requirements
- Increasing public expectations.

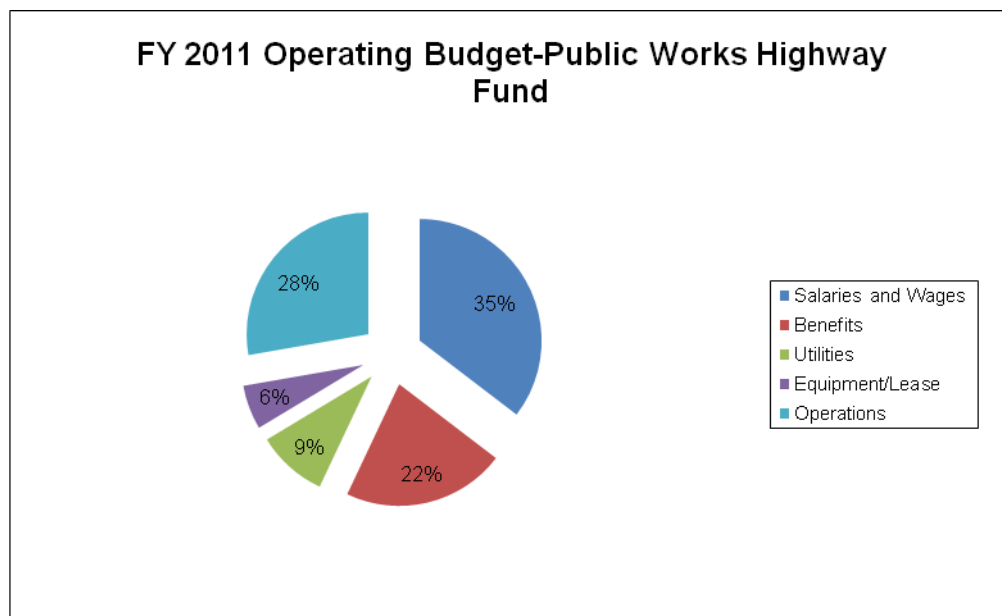
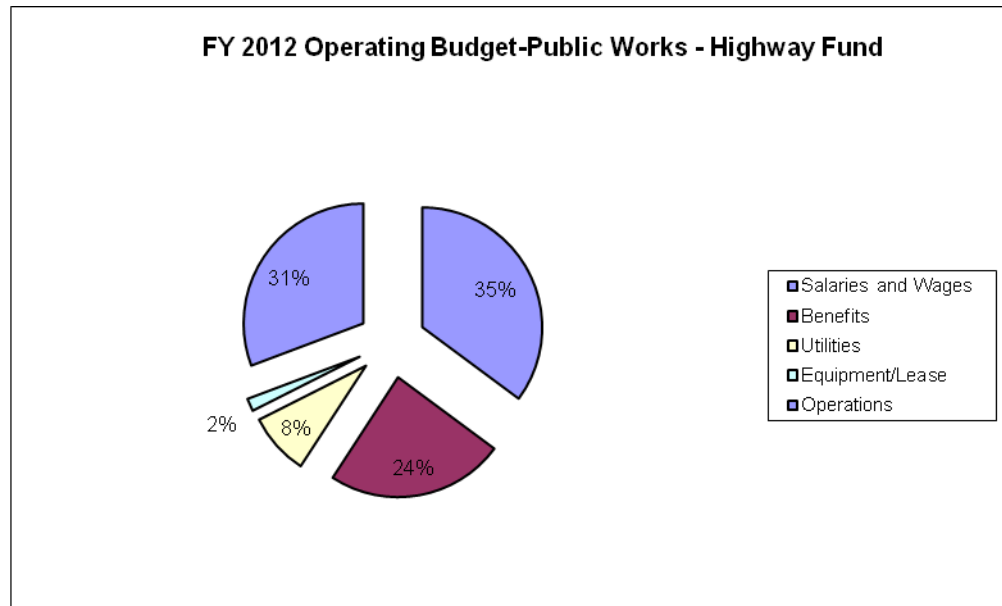
Improvements

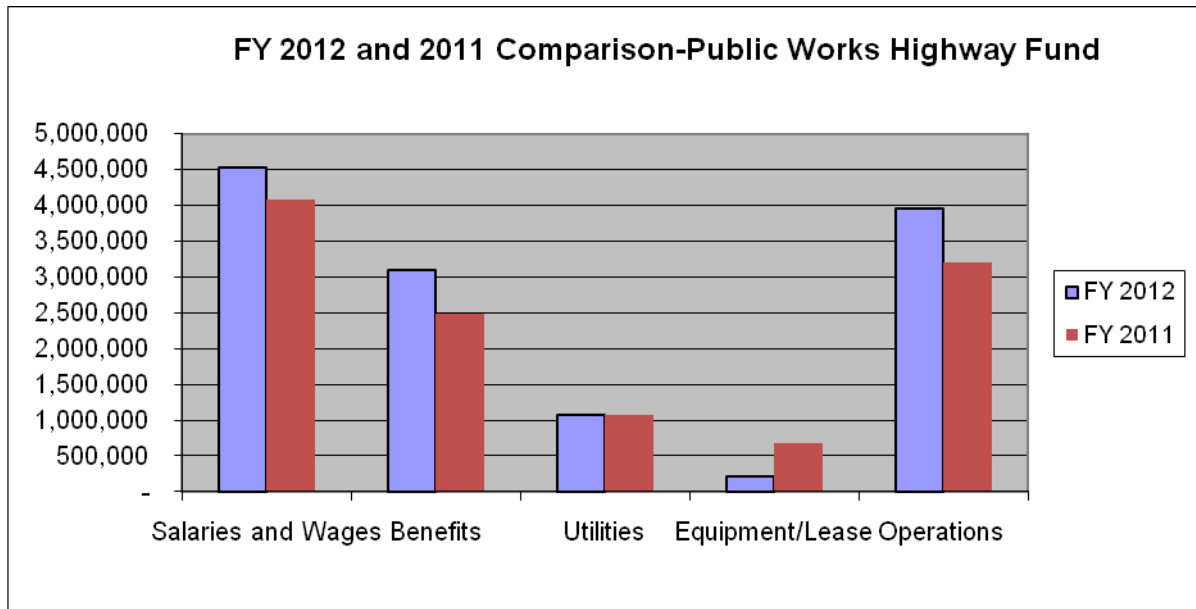
- Conducted a detailed inventory assessment and evaluation of the present 2009 – 2010 budget Islandwide Road Resurfacing needs in order to insure road condition objectively.
- Roads Maintenance Management Information Tracking System – completed evaluation and selection process for procurement H.T.E. system. Training and data implementation soon to take place.
- Procurement of MicroPaver software completed, training and data implementation to take place.
- Completed Discrimination and Harassment Training by Roads employees.
- Roads supervisors have taken and been certified in the Emergency Response course sponsored by Civil Defense.
- Baseyard facilities have been made ADA accessible.
- Vehicle/equipment training has been caught up to cycle and we are now assisting county-wide agencies in their training.

Upcoming Initiatives

- Implement the MicroPaver Program and Roads Maintenance Management Information Tracking System. Using the data from these programs, a Cost/Benefit analysis of road maintenance program can take place.
- Include repair work in repaving projects to reduce overall roadway life cycle costs.
- Work with the County Attorney and legislative bodies to address roads in limbo and paper roads.
- Supervisor training will be brought to a higher standard (planning, scheduling, report-writing, cost analysis, purchasing system, morale-motivation training, and accountability).
- Roads Division will be working with IT to use GIS (Geographic Information System) in our Road Maintenance Program to identify problem areas and pinpoint public safety concerns.
- Hire additional staff for Traffic Signs and Markings Section to assist in meeting new reflectivity requirements and reduce backlog.

Comparative Graphs





Operating Budget- Public Works - Highway Fund	FY 2011	FY 2012	% + or -
Salaries and Wages	4,077,607	4,522,534	10.9%
Benefits	2,492,809	3,092,750	24.1%
Utilities	1,077,380	1,077,880	0.0%
Equipment/Lease	677,718	219,160	-67.7%
Operations	3,197,137	3,953,099	23.6%
TOTAL	11,522,651	12,865,423	11.7%

Operating Budget Discussion

Increase in Salaries and Wages, and Benefits is due to:

- Elimination of furloughs
- Increased contribution requirements for employee benefits

Decrease in Equipment/Lease is due to:

- Completion of payment of equipment leases

Increase in Operations is due to:

- Increase in indirect costs/central services

WASTEWATER MANAGEMENT
Donald Fujimoto, P.E., Environmental Services Officer
Edward Tschupp, P.E., Chief

Mission Statement

The mission of the Division of Wastewater Management is to protect the public's health, safety, and the environment by developing and operating the County's wastewater infrastructure.

Division Goals

- Improve Operations by completion of planned CIP projects
- Maintain and Improve existing facilities and operations through budgeted equipment and supplies
- Continued Regulatory compliance and staff development

Successes and Achievements

- Started construction on Waimea WWTP expansion
- Completed Rate study and adopt new rates and ordinance updates
- Achieved recognition from US EPA for project success for the Waimea WWTP Expansion Project (Pisces Award)
- Via Public-Private partnership with Kaua'i Lagoons, the Līhu'e WWTP upgraded to an R-1 facility.

Challenges

- Aging infrastructure
- Developing and maintaining required specialty skills and licensing for our Wastewater Operators
- Biosolids disposal diversion from landfill
- Limited funding and small customer base

Improvements

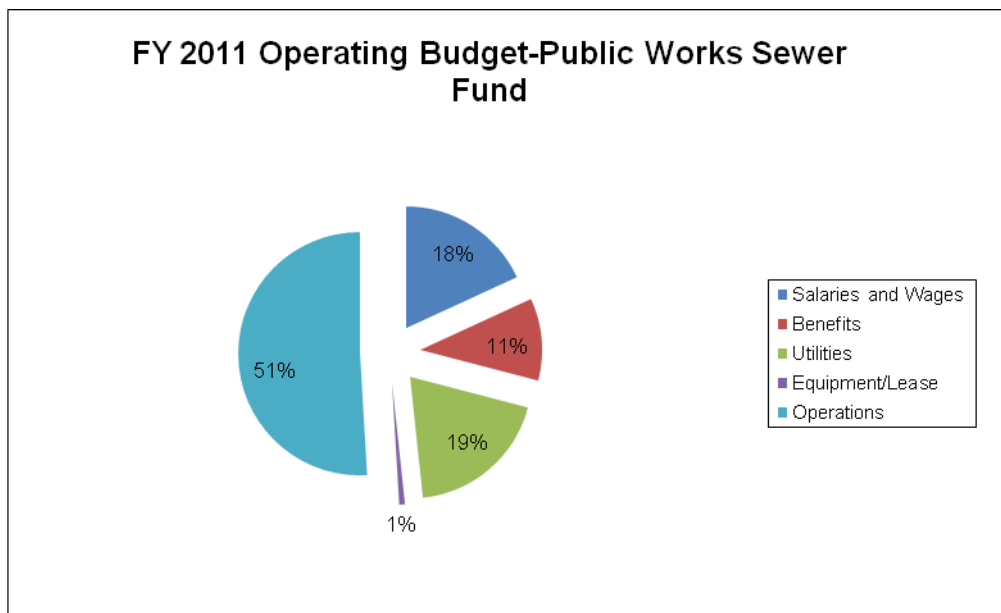
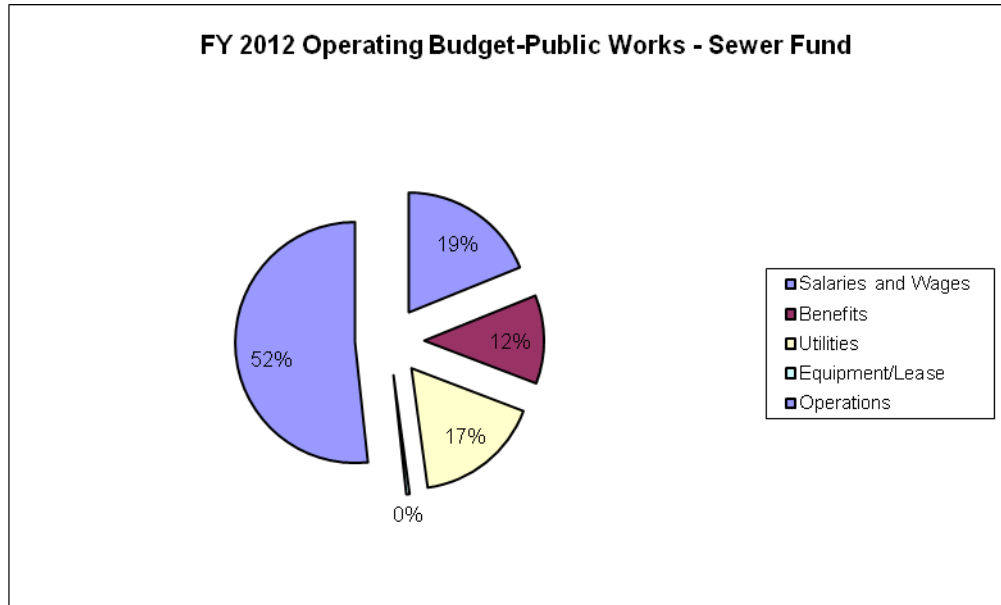
- Construction of the Waimea Project
- Progress on CIP design projects

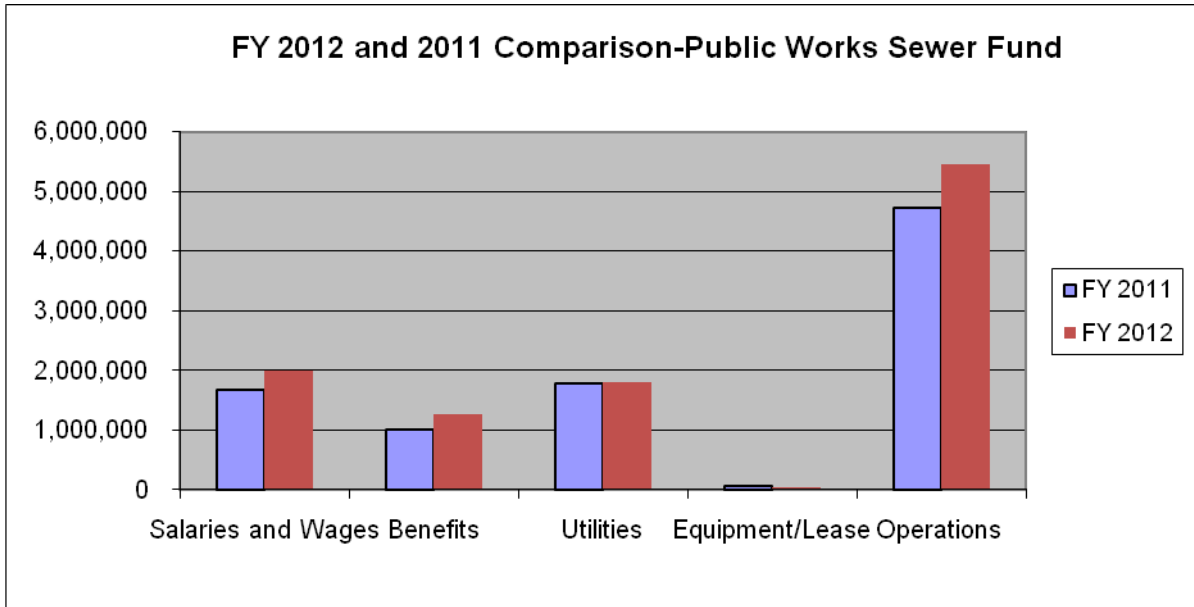
Upcoming Initiatives

- Seek training opportunities through new venues such as HRWA
- Implementation of customer outreach for implementation of new user rates
- Improve energy efficiency via Energy audits and renewable energy projects

- Improve Bio-solids handling to develop beneficial alternative for Bio-solids management to reduce costs and save landfill space.
- Seek funding opportunities for grants and low cost loans to support CIP needs.

Comparative Graphs





Operating Budget- Public Works - Sewer	FY 2011	FY 2012	% + or -
Salaries and Wages	1,681,687	1,988,193	18.2%
Benefits	1,014,991	1,259,117	24.1%
Utilities	1,787,500	1,796,000	0.5%
Equipment/Lease	70,000	47,000	-32.9%
Operations	4,726,098	5,449,804	15.3%
TOTAL	9,280,276	10,540,114	13.6%

Operating Budget Discussion

Increase in Salaries and Wages, and Benefits is due to:

- Elimination of furloughs
- Increased contribution requirements for employee benefits
- Funding of one dollar funded position (CE VI)

Decrease in Equipment/Lease is due to:

- Completion of payments on leases

Increase in Operations is due to:

- Additional State Revolving Fund debt service payments
- Increase in indirect costs/central services

Solid Waste Division
Donald Fujimoto, P.E., Environmental Services Officer
Troy Tanigawa, P.E., Environmental Services Management Engineer

Mission

The mission of the Solid Waste Division is to maintain public health and safety by providing reliable programs to properly manage municipal solid waste (MSW) for the Island of Kauai, and to maximize waste diversion on Kauai by providing cost-effective, convenient, and reliable waste diversion opportunities to Kauai residents through source reduction, reuse, and recycling.

Goals

1. Maintain a balance of reliability, efficiency, and cost effectiveness for County solid waste management and diversion programs.
2. Identify and implement integrated MSW management programs to divert waste from MSW landfills.
3. Conduct County waste management programs and operations in accordance with applicable government regulations.

Successes and Achievements

1. **Implemented Automated Refuse Collection:** Delivered 96 gallon carts and educational literature and commenced automated refuse collection in July 2010, for approximately 3,000 homes in the Lihue / Puhi area. Automated collection has maximized efficiencies, expanding the number of allowable units per shift prior to incurring overtime from 600 to 1,000
2. **Commenced Pilot Curbside Recycling Pilot:** Delivered 96 gallon carts with blue lids and educational literature and commenced curbside recycling pilot in September 2010, for 1,300 homes in the Lihue / Puhi area. Residents receive pickup every other Thursday. All items currently accepted in the county's Kauai Recycles Drop Bin program are accepted in the recycling carts.
3. **Landfill Expansion, Cell 1 Construction:** The construction of Cell 1 was completed in July of 2010 in time to receive municipal solid waste from Phase II which reached capacity in November 2010. Cell 1 will provide approximately 3.5 to 4 years of MSW capacity for the island of Kaua'i.
4. **Residential Refuse Collection Assessment (RRCA):** As recommended in the Integrated Solid Waste Management Plan, County Ordinance 902 passed in September 2010 allowing the Division to assess charges for refuse collection. Beginning in July 2010, this assessment will be billed with Real Property Tax. All benefitted properties will be charged a \$6 base assessment which is mandatory and defrays the operating cost of the refuse transfer stations, plus a \$6 collection assessment for curbside service, which owners can opt out of if they wish to haul their own garbage. The RRCA is anticipated to reduce the Division's reliance on the general fund by approximately \$2.5 million per year.

Challenges

1. **Collection Routing:** Implementation of automated refuse collection required re-routing of garbage service across the entire island. Although notice of the change was mass mailed to all residents, many people were caught off guard on garbage day and very upset.
2. **Automated Collection Roll Out:** Phasing in of the Automated Collection requires establishment of routes, work conditions and positions which must be reviewed and approved.
3. **Landfill Siting:** The EIS consultant has been selected and will be commencing with the Environmental Impact Study. The Process will reevaluate the initial eight recommended site in the MACLS and provide a recommendation to proceed with the New Landfill site at a preferred location.
4. **Electronic Recycling:** The Hawaii Electronic Waste Recovery Law that went into effect in January 2010 does not mandate any “on the ground” programs on the neighbor islands. Attempts to amend the law in the 2011 session were unsuccessful, hence, the Counties remain responsible for coordinating and funding efforts to divert this toxic and ever-growing waste stream from the landfill.

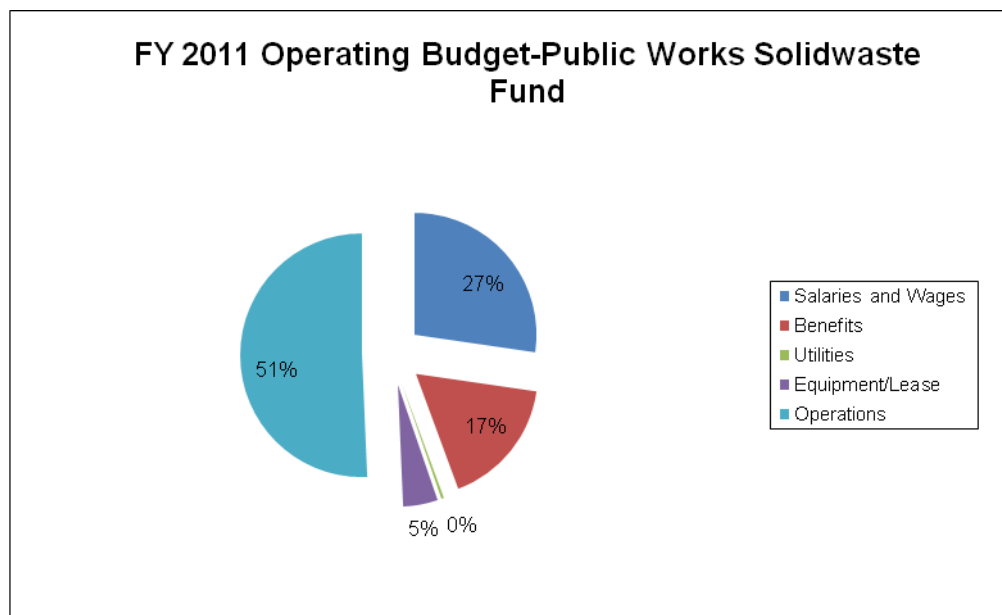
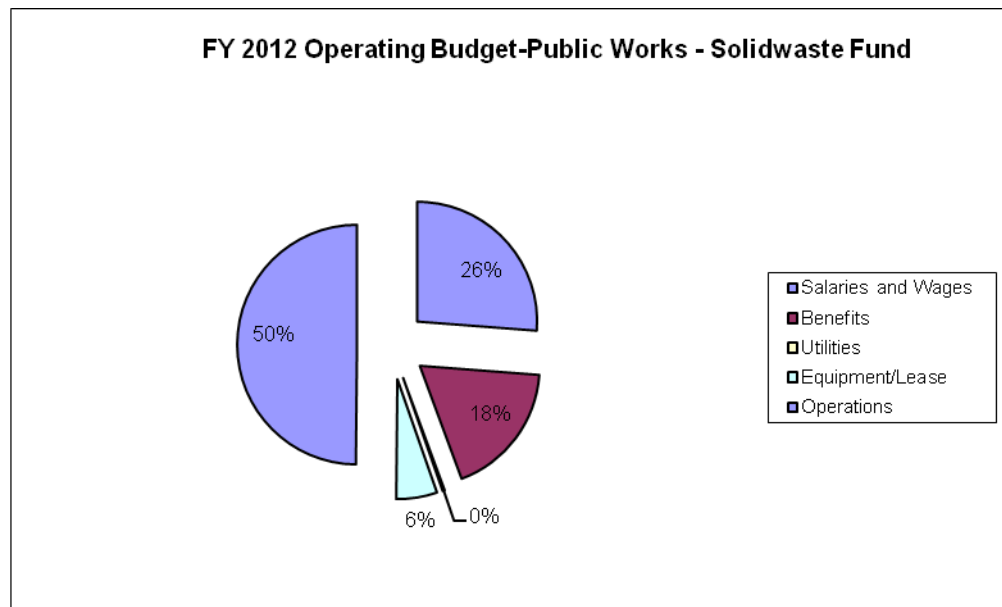
Improvements

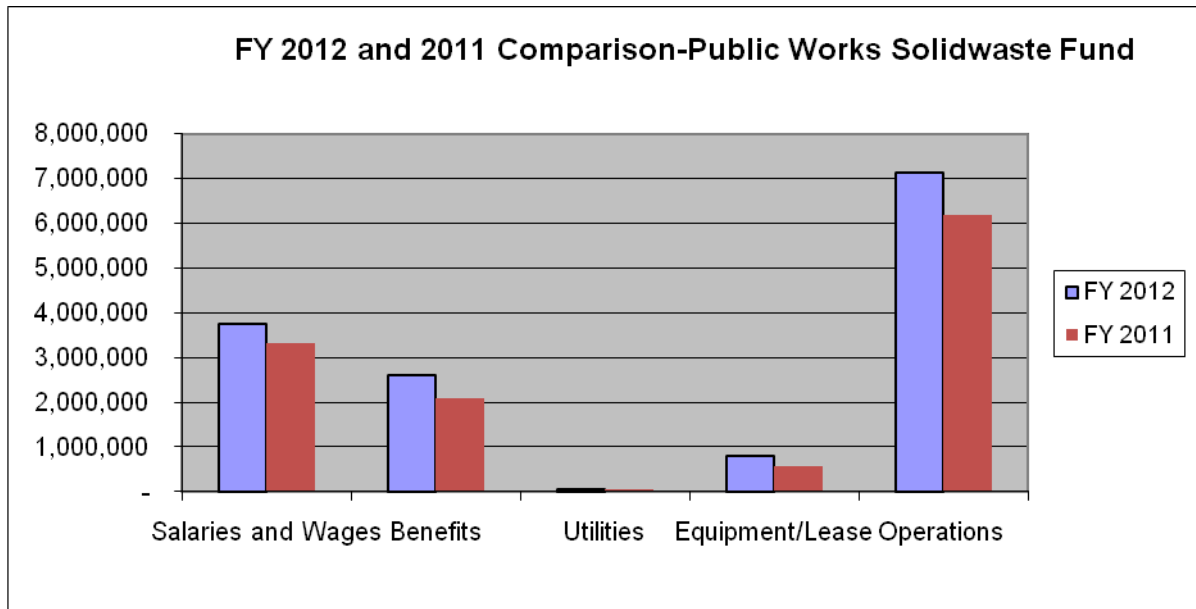
Additional staff in key SW administrative positions will allow the SW Division to implement new projects such as the Residential Refuse Collection Assessment, and diversion programs to increase the life of the limited airspace at the Kekaha landfill.

Upcoming Initiatives

1. Expand existing diversion programs and accelerate the development of new programs to extend the life of the existing landfill:
 - Develop a Construction/Demolition diversion ordinance targeting materials where adequate processing capacity and markets currently exist.
 - Develop a commercial mixed paper recycling ordinance for businesses generating a significant amount of mixed paper to set up recycling programs.
 - Initiate the implementation of curbside greenwaste collection in conjunction with the automation of refuse collection.
 - Explore the construction of a Material Recovery Facility to allow the expansion of existing recycling efforts and the development of island-wide curbside recycling
 - Provide technical assistance to the commercial sector and private recyclers.
 - Provide public education in schools and to the community at large.
2. Procure EIS consultant contract for new landfill site.

Comparative Graphs





Operating Budget- Public Works - Solidwaste	FY 2011	FY 2012	% + or -
Salaries and Wages	3,332,952	3,749,227	12.5%
Benefits	2,084,966	2,598,169	24.6%
Utilities	43,200	40,600	-6.0%
Equipment/Lease	560,282	787,874	40.6%
Operations	6,187,596	7,131,232	15.3%
TOTAL	12,208,996	14,307,102	17.2%

Operating Budget Discussion

Increase in Salaries and Wages, and Benefits is due to:

- Elimination of furloughs
- Increased contribution requirements for employee benefits

Increase in Equipment/Lease is due to:

- New lease payments for heavy equipment

Increase in Operations is due to:

- Increase in indirect costs/central services